

# Wisconsin State Legislature

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## **Joint Committee on Finance** *100<sup>TH</sup> ANNIVERSARY 1911 - 2011*

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative Robin Vos

Date: October 4, 2011

Re: DHS Report to JFC

Attached is a report on BadgerCare Plus Basic from the Department of Health Services, pursuant to s. 49.67, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



State of Wisconsin  
Department of Health Services

Scott Walker, Governor  
Dennis G. Smith, Secretary

October 4, 2011

The Honorable Alberta Darling, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

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BY: St. Finance

The Honorable Robin Vos, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter and the attached statistics fulfill the Department's legislative reporting requirements for BadgerCare Plus Basic under section 49.67 of the Wisconsin Statutes.

As you know, Basic was developed by the previous administration and was intended to support itself on a premium of \$130 per month. As it turns out, about 40% of Basic's funding has come from a federal grant.

Earlier this year, the Department took action to put Basic on a sustainable course for members already enrolled in the program. In March, we announced a freeze on new enrollment and increased premiums to \$200.

Between March and July, Basic enrollment decreased by approximately 25%, from 6,000 members to about 4,500. By July, new data showed that those remaining in Basic had costs exceeding the \$200 monthly premium. Because of this, the Department increased the premium to \$250 effective September 1.

Given that no state funding was appropriated to support this program and that federal support will be unavailable for claims in the future, the Department continues to closely monitor program expenditures and revenues. As of October, Basic enrollment had declined to 3,552, and the cost of these remaining members requires raising the premium to \$325 effective November 1.

Per the specific reporting requirements identified in s. 49.67(9g), claims payments for Basic totaled \$14 million through September 2011. Premium revenue totaling \$10.5 million had been collected through the same time frame. Revenue from a federal grant has covered the difference. Federal funding originates from the State Health Access Program (SHAP) grant administered by the Health Resource Services Administration (HRSA). This grant ended August 31, 2011; however, carryover funding of about \$1.4 million remains available to assist with future claims.

No changes to provider payment rates have been implemented since the program began on July 1, 2010. Beginning with November coverage (payment due October 5) monthly premiums will increase to \$325.

Effective January 1, 2011, Basic benefits and cost-sharing were adjusted as follows:

- Increased co-payments for brand name prescriptions from \$5 to \$10.
- The implementation of radiology co-payments, tiered at \$5 and \$20.
- The implementation of vaccination co-payments of \$10.
- The number of covered emergency room visits was reduced from five to two per enrollment year.

The Basic Plan serves individuals without dependent children on the BadgerCare Plus Core Plan waiting list. The Core Plan was established under a federal Medicaid waiver in January 2009 and is funded with GPR and federal funding. The Department capped enrollment in the Core Plan in October 2009 because it had reached the budget neutrality limit under the federal waiver due to significant caseload growth. No federal funding would be available above the budget neutrality limit.

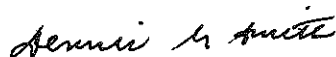
Enrollment in Basic required an application for the BadgerCare Plus Core Plan online at [access.wi.gov](http://access.wi.gov) or by phone. That process involved reporting income and insurance information to determine whether the applicant was eligible to be added to the Core waitlist. Since enrollment for Basic began, 1,054 Basic applicants were determined ineligible at the point of applying for the Core waitlist. As of October 2011, 3,552 people were enrolled in Basic. Member demographic information, including age, gender and county of residence, is attached.

Once individuals have enrolled, the Basic verification process uses a variety of wage, income and insurance databases to verify the information members have reported. Disparities trigger DHS follow-up and potential disenrollment. Before the Department suspended further eligibility processing, DHS had determined 140 individuals ineligible for Basic due to exceeding the income limit or having other insurance.

In July 2010, the Centers for Medicare and Medicaid Services (CMS) approved the Department's amendment to the Core Plan waiver to create a waitlist bypass into Core for Basic members based on medical severity. The initial medical criterion for this policy was a cancer diagnosis. In December 2010, the Department expanded the criteria to include severe cardiac conditions. More than 500 Basic members have transitioned to Core as a result of these policies. The Department has frozen the waitlist bypass option for Basic members to move to Core because it is not a sustainable strategy given GPR constraints in the overall Medicaid program.

We will continue to keep members of the Legislature informed as we attend to our financial management responsibilities for this program.

Sincerely,



Dennis G. Smith  
Secretary

<b>BC+ Basic by County</b>	
County	Members
ADAMS	20
ASHLAND	12
BARRON	37
BAYFIELD	16
BROWN	129
BUFFALO	11
BURNETT	23
CALUMET	21
CHIPPEWA	38
CLARK	31
COLUMBIA	37
CRAWFORD	18
DANE	238
DODGE	58
DOOR	30
DOUGLAS	16
DUNN	26
EAU CLAIRE	44
FLORENCE	8
FOND DU LAC	61
FOREST	15
GRANT	42
GREEN	18
GREEN LAKE	11
IOWA	20
IRON	15
JACKSON	9
JEFFERSON	55
JUNEAU	37
KENOSHA	125
KEWAUNEE	13
LA CROSSE	43
LAFAYETTE	15
LANGLADE	27
LINCOLN	24
MANITOWOC	53
MARATHON	70
MARINETTE	51
MARQUETTE	14
MILWAUKEE	584
MONROE	16
OCONTO	34
ONEIDA	30
OUTAGAMIE	96
OZAUKEE	42
PEPIN	6
PIERCE	18
POLK	31
PORTAGE	50

<b>BC+ Basic by Gender</b>		
Female	Male	Total
2054	1498	3552

<b>BC+ Basic by Income</b>	
FPL% Range	Count
No Income	1699
0% to 9.99% FPL	19
10% to 19.99% FPL	23
20% to 29.99% FPL	43
30% to 39.99% FPL	56
40% to 49.99% FPL	43
50% to 59.99% FPL	57
60% to 69.99% FPL	80
70% to 79.99% FPL	87
80% to 89.99% FPL	104
90% to 99.99% FPL	122
100% to 109.99% FPL	98
110% to 119.99% FPL	138
120% to 129.99% FPL	133
130% to 139.99% FPL	111
140% to 149.99% FPL	102
150% to 159.99% FPL	135
160% to 169.99% FPL	159
170% to 179.99% FPL	145
180% to 189.99% FPL	106
190% to 199.99% FPL	92
<b>Grand Total</b>	<b>3552</b>

<b>BC+ Basic by Age</b>	
Age Group	Count
Up to 30	454
31 to 40	274
41 to 50	719
51 to 60	1496
61 to 64	609
<b>Total</b>	<b>3552</b>

PRICE	28
RACINE	109
RICHLAND	10
ROCK	89
RUSK	5
ST. CROIX	40
SAUK	38
SAWYER	18
SHAWANO	34
SHEBOYGAN	67
TAYLOR	27
TREMPEALEAU	15
VERNON	25
VILAS	34
WALWORTH	98
WASHBURN	22
WASHINGTON	78
WAUKESHA	197
WAUPACA	34
WAUSHARA	20
WINNEBAGO	63
WOOD	55
MENOMINEE	3
RED CLIFF T1	1
POTAWATOMI T1	1
LAC DU FLAMBEAU T1	1
ONEIDA TRIBAL COUNCIL	2
<b>Total</b>	<b>3552</b>